



TESTIMONY PRESENTED TO THE INSURANCE AND REAL ESTATE COMMITTEE
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Testimony Regarding:

SB 6, AN ACT CONCERNING UTILIZATION REVIEW AND HEALTH CARE CONTRACTS, HEALTH
INSURANCE COVERAGE FOR NEWBORNS AND STEP THERAPY

SB 1159, AN ACT CONCERNING PHARMACY BENEFITS MANAGERS AND DRUG AFFORDABILITY
AND TRANSPARENCY

HB 6830, AN ACT ESTABLISHING A PRESCRIPTION DRUG AFFORDABILITY BOARD

HB 6831, AN ACT CONCERNING THE OVERRIDE OF STEP THERAPY FOR CERTAIN MENTAL
HEALTH CONDITIONS

HB 6832, AN ACT CONCERNING ELECTRONIC NOTIFICATION FOR PRIOR AUTHORIZATIONS

Senator Cabrera, Representative Wood, Senator Hwang, Representative Pavalock-D'Amato and distinguished members of the Insurance and Real Estate Committee, thank you for the opportunity to offer testimony regarding several bills on today's agenda: SB No. 6, *An Act Concerning Utilization Review and Health Care Contracts, Health Insurance Coverage For Newborns and Step Therapy*; SB No. 1159, *An Act Concerning Pharmacy Benefits Managers and Drug Affordability and Transparency*; HB No. 6830, *An Act Establishing a Prescription Drug Affordability Board*; HB No. 6831, *An Act Concerning the Override Of Step Therapy For Certain Mental Health Conditions*; and HB No. 6832, *An Act Concerning Electronic Notification for Prior Authorizations*. I am Dr. Deidre Gifford, Executive Director of the Office of Health Strategy ("OHS"). OHS' mission is to implement comprehensive, data driven strategies that promote equal access to high quality health care, control costs, and ensure better health for the people of Connecticut.

In considering the important concepts raised in these bills, the committee is tackling many of the salient challenges facing policy makers as we confront an increasingly complex and unaffordable health care system. OHS agrees that the time has come for concrete action on health care affordability. Its impact on our residents is stark - Americans collectively spend over \$400 billion a year out of their pockets. Last year, almost 40% of Americans put off care due to how much it would cost – a record high. Furthermore, the most common cause of bankruptcy is related to medical debt.

At the same time, it is also important to avoid unintended consequences of policies that may inadvertently exacerbate rather than help the current cost and access challenges. The U.S. health care system operates with numerous competing interests which are not always aligned in providing the best healthcare outcomes at the lowest cost to consumers and employers. Tools that can be used to moderate and prioritize the provision of costly health services – prior authorization, step therapy, and others – can be effective when utilized appropriately. However, it is also possible to tip the proverbial scales in the other direction and overly limit necessary care in the name of cost savings.

Therefore, we applaud the goals of SB 6, HB 6831, and HB 6832 to ensure that Connecticut residents have access to timely health care, especially those with mental health or chronic conditions. We would welcome the opportunity to work with the proponents and other affected stakeholders to discuss the impacts of limiting the role of some of these utilization tools, especially in terms of health care affordability and how to strike the appropriate balance to ensure high-value care is still available, at reasonable cost.

SB 1159 and HB 6830 both seek to address pharmaceutical costs, one of the major cost drivers in our healthcare system. The Governor supports prioritizing the lowering of these expenses, and has proposed several provisions in HB 6669, *An Act Protecting Patients and Prohibiting Unnecessary Health Care Costs* to do so, as well as provided \$600,000 to OHS to perform a pharmacy benefits managers accountability and oversight study.

The two bills also contemplate the establishment of a prescription drug affordability board, a strategy several other states have employed or proposed to monitor prescription drug pricing. Before initiating the creation of this type of board, which is both administratively and fiscally intensive, OHS respectfully proposes taking the time to learn best practices or avoid challenges from these other states' efforts – most of which are still in the beginning stages of being implemented. There may be opportunity to leverage these existing efforts instead of establishing what could be a duplicative administrative body.

OHS respectfully requests that the committee reflect on our testimony when considering action on these proposals and looks forward to working with all parties to craft the best possible version of these concepts. I would like to again thank the committee for the opportunity to submit this testimony.